

DRAFT



**AMENDMENTS TO REGULATIONS: ELECTRONIC SERVICES FOR THE PURPOSE OF
THE DEFINITION OF “ELECTRONIC SERVICES” IN SECTION 1 OF THE VALUE-
ADDED TAX ACT**

21 February 2018

Amendments to Regulations prescribing electronic services for the purpose of the definition of “electronic services” in section 1 of the Value-Added Tax Act, 1991, are hereby published for comment.

Comments can be sent to Ms. Aneesa Baig at Aneesa.Baig@treasury.gov.za and Ms. Adele Collins at acollins@sars.gov.za by 22 March 2018

Schedule

Definitions

1. In these regulations, “**the Regulations**” means the regulations published by Government Notice No. R 221 of 28 March 2014.

Amendment of regulation 1 of the Regulations

2. Regulation 1 of the Regulations is hereby amended—

- (a) by the deletion of the definition of “electronic services supplier”
- (b) by the insertion after the definition of “internet” of the following definition:

“**telecommunications services**’ means any service relating to the transmission, emission or reception, and the transfer and assignment of the right to use capacity for the transmission, emission or reception of signals, writing, images, sounds or information of any kind by a telecommunications system, and includes access to global information networks, but does not include the content of the telecommunications;”
- (c) by the deletion of the definition of “internet-based auctions service”; and
- (d) by the deletion of the definition of “web site”.

Amendment of Regulation 2 of the Regulations

3. The following regulation is hereby substituted for regulation 2 of the Regulations:

“**Services prescribed as electronic services**

2. For the purposes of the definition of “electronic services” in section 1 of the Act, “electronic services” includes any services supplied by means of an electronic agent, electronic communication or the internet for any consideration, other than—

- (a) educational services supplied by a person regulated by an educational authority in an export country; or
- (b) telecommunications services.”.

Repeal of regulations 3 to 7 of the Regulations

- 4. Regulations 3 to 7 of the Regulations are hereby repealed.

Short title and commencement

- 5. These regulations are called the Regulations prescribing electronic services for the purpose of the definition of “electronic services” in section 1(1) of the Value-Added Tax Act, 1991, and will be deemed to have come into operation on 1 October 2018.